

Customer Name:

ETRAN Application Number:

SBA Loan Number:

Lender's Loan Number:

SBA Guaranty Fee: \$

SBA Express Checklist

Required Forms & Eligibility: *Forms should be obtained from the SBA's website (<https://www.sba.gov/partners/lenders>)*

- ☐ Form 1919-Borrower Information Form - To be filled out by the customer/guarantors, 20% or more owners & anyone hired to manage day-to-day operations of the business
- ☐ Form 1920 - To be filled out by the lender
- ☐ Form 912-Statement of Personal History – Necessary if questions 18 or 19 of Form 1919 are answered “yes”
- ☐ Form 601-Agreement of Compliance- if more than \$10,000 in loan funds is being used for construction
- ☐ SBA Form 159-Fee Disclosure Forms and Compensation Agreement if necessary
 - Must be filed if an Agent is used whether the Lender or Borrower pays the agent fee or if Lender charges an application fee
- ☐ Credit Alert Verification Reporting System - Review CAIVRS for Borrower & Guarantors to ensure no delinquent debt with or prior losses to the government. A copy should be kept in the lender's files. CAIVRS USER ID required: <https://entp.hud.gov/caivrs/public/home.html>
- ☐ IRS 4506-T: Request for Tax Transcripts - required if tax returns are used in credit decision (note review in credit memo/credit analysis &/or in the Lender's Comments section of ETRAN. Must be completed prior to first disbursement.)
- ☐ Lender is responsible to check the Franchise Directory to determine if it includes the applicant's brand. (See page 96 in [SOP 50 10 5\(K\)](#)) – The Franchise Directory) (See [SBA Notice 5000-17009](#) for **Franchise Review** Process)
- ☐ Check www.sam.gov to ensure Agents & employees involved with the loan (Lenders or Lender Service Providers) are not excluded from doing business with the government (Lender's staff must only be screened once)*

Credit Standards & Analysis: *Credit analysis must be consistent with lenders similarly sized non-guaranteed loan portfolio should include*

- ☐ Credit Elsewhere/reason for guaranty qualification addressed (Using Credit Elsewhere Documentation Test)

Submission Process – Requesting the Guaranty

- ☐ Submit via SBA One or ETran: https://caweb.sba.gov/cls/dsp_login.cfm
 - No documents submitted to SBA other than information entered into SBA One
 - SBA Documents can be uploaded in SBA One and SBA Forms 1919 and 1920 can be printed from SBA One
 - Lender Comments in SBA One can be used to document when CAIVRS & IRS transcripts were reviewed

Closing Procedures

- ☐ Loan Authorization produced by the lender.
https://www.sba.gov/sites/default/files/forms/Express_Authorization_Template_1.16.docx
- ☐ Late Penalty Fee-
 - may charge the same fee as charged on similarly sized non-SBA guaranteed loans
 - must be delinquent more than 10 days
 - SBA will not pay any portion of this fee at time of purchase
- ☐ Prepayment Terms
 - No lender pre-payment penalty is allowed
 - Subsidy Recoupment Fee/Pre-Payment Penalty –
 - SBA charges a Subsidy Recoupment Fee on loans with a maturity of 15 years or more (5%, 3%, 1% of the prepayment amount if more than 25% paid in any 1 year)
- ☐ SBA Language for Note & Guaranty
 - ☐ Lender's Note –
 - must be legally enforceable and assignable,
 - have a stated maturity
 - is not payable on demand

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- ☐ Contains the following language: *"When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law."*
 - ☐ Lender's Guaranty must contain the following language: *"When SBA is the holder, the Note and this Guarantee will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claims of SBA, or preempt federal law."*
- ☐ The following language must appear **in all** lien instruments, including mortgages, deeds of trust, and security agreements: (sub-section 3, page 235 of SOP)
"The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:
 - a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.*
 - b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.*
 - c) Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument."*
- ☐ Borrower's Certifications – must be signed by the Borrower
- ☐ Loan Agreement – must be signed by the Borrower & the Lender
- ☐ Print a copy of the application using the "REPORTS" button in ETRAN (or SBA One), sign and file
- ☐ Print a copy of the Application Status Report using the "REPORTS" button in ETRAN (or SBA One) and file
- ☐ Payment of the Guaranty fee via www.pay.gov
- ☐ Begin reporting via 1502 (Colson Reporting Services) in the month following SBA issuance of a loan number (report as fully undisbursed if not yet closed)